

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF WESTERN) CASE NO. 8839-X
KENTUCKY GAS COMPANY)

O R D E R

On December 1, 1983, the Commission issued its Order in Case No. 8839 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received.

On February 12, 1986, Western Kentucky Gas Company ("Western") notified the Commission that its wholesale cost of gas had been decreased by its suppliers, Texas Gas Transmission Corporation ("Texas Gas") and local producers, effective February 1, 1986, and submitted with its notice certain information in compliance with its purchased gas adjustment clause on file with this Commission.

After reviewing the record in this case and being advised, the Commission is of the opinion and finds that:

(1) Western's notice of February 12, 1986, set out certain revisions in rates which Western proposed to place into effect, said rates being designed to pass on the wholesale decrease in price from its suppliers in the amount of \$1,890,916 or 5.22 cents per Mcf.

(2) Texas Gas filed decreased rates with the FERC to be effective February 1, 1986. Western requested an effective date for proposed rates of March 1, 1986. Its effective date should be February 1, 1986, to coincide with that of its suppliers.

(3) Western should report to this Commission any excess revenues collected from February 1, 1986, to the date the proposed rates are implemented, along with a refund plan. If there are no over-collections, that should also be reported.

(4) Western's adjustments in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 8839, dated December 1, 1983, are fair, just and reasonable and in the public interest and should be effective with gas supplied on and after February 1, 1986.

IT IS THEREFORE ORDERED that:

(1) The rates in the Appendix to this Order be and they hereby are authorized effective with gas supplied on and after February 1, 1986, rather than on March 1, 1986, as Western requested.


(2) Within 30 days of the date of this Order Western shall file with this Commission its revised tariffs setting out the rates authorized herein.

(3) Within 30 days of the date of this Order Western shall supply excess revenue information and a refund plan or a report that no excess revenues were collected.

Done at Frankfort, Kentucky, this 26th day of February, 1986.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 8839-X DATED 2/26/86

The following rates and charges are prescribed for the customers in the area served by Western Kentucky Gas Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATES:

Applicable to: All Gas Rates Schedules

Purchased Gas Adjustment

To each bill rendered under the above named rate schedules there shall be added an amount equal to: (\$.6044) per Mcf of gas used during the billing period.

The base rate for the future application of the purchased gas adjustment clause of Western Kentucky Gas Company shall be:

Texas Gas Transmission Corp.

	<u>Demand-1</u>	<u>Demand-2</u>	<u>Commodity</u>	<u>Gas Rate</u>
G-2	\$4.45	\$.1161	\$2.5179	-0-
G-3	4.72	.1280	2.5428	-0-
G-4	4.91	.1374	2.5602	-0-

Tennessee Gas Pipeline Co.

GS-2	-0-	.6670/Mcf	2.5382/Mcf
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Local Producers	-0-	-0-	2.5428/Mcf
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